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**MEMORANDUM**

**To: State Budget Committee**

**From: Zachary Q. Jackson, State Budget Director** ZQJ

**Re: SEA 134-2022 (Appropriation of Donated Money) Report**

**Date: December 2, 2022**

As shown below, Section 2 of SEA 134-2022 requires the State Budget Agency to submit a report to the State Budget Committee regarding the use of “donated money” for paying salaries for state employees.

SECTION 2. IC 4-12-1-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 21. (a) To ensure transparency in state government, on or before June 30, 2022, and on or before June 30 of each year thereafter, all state agencies shall submit to the budget agency a report of each individual state employee employed by the state agency whose salary is funded in whole or in part from donated money.**

**(b) If the donation of money is to the secretary of state, the report shall specify whether the money was or will be distributed to political subdivisions for preparing, administering, or conducting elections, and, if so, the specific types of uses for which the donated money will be used by those political subdivisions.**

**(c) On or before December 1, 2022, and on or before December 1 of each year thereafter, the budget agency shall annually submit to the budget committee a report of the information submitted under subsections (a) and (b) that specifies and identifies each individual state employee whose salary is funded in whole or in part from donated money.**

**(d) Before January 31, 2023, and before January 31 of each year thereafter, the report submitted under subsection (c) in the preceding year shall be posted and made available on the Indiana transparency Internet web site established under IC 5-14-3.5-2.**

Since “donated money” is not defined in the Indiana Code, we have separated this data into two categories – “donations” and “private grants”. The generally accepted definition of a donation is an unrestricted gift of cash made to an organization to help it accomplish its goals for which the donor receives nothing of value in return; whereas a private grant is generally a restricted award that is made with certain expectations, deliverables, and/or required uses. A private grant is often documented by a written agreement.

The table on the following page illustrates the universe of agencies that received either donations or private grants in FY 2022 that may have been used for to pay for salaries. In most situations, donations and/or private grants are deposited in funds with other sources of revenues – making it impossible to determine if the donation and/or private grant was used for salaries or instead for other operating expenses. Since it is not possible to determine if donations and/or private grants were used to pay for salary expenses 8 of the 12 lines on the following page, the number of employees paid for from the fund has been included rather than names.

No donations or private grants were received by the Secretary of State, so there is no data to report in response to subsection (b).

### Agencies That Received Donations or Private Grants in FY 2022 That May Have Been Used for Salaries

BU	Agency	Fund Name	Fund #	Donations	Private Grants	Payroll Salaries & Wages	Comments
30	Governor/CEIOO	Private Grants	43929	\$0	\$712,500	\$410,768	Used in whole or in part for the salaries of Josie Fasoldt, Karrah Herring, Conchita Hudson, Anthony Phillips, and Joseph Pinnell.
48	Treasurer of State	Treasurer of State	10450	\$900		\$431,694	It is unclear if donation money was used to fund employee salaries or instead used for other operating expenses. 16 employees were paid from this fund.
100	Indiana State Police	Donation Not for Profits	44510	\$35,746		\$1,585,690	It is unclear if donation money was used to fund employee salaries or instead used for other operating expenses. 91 employees were paid from this fund.
300	Department of Natural Resources	Law Enforcement Division	39720	\$139		\$13,036,726	It is unclear if donation money was used to fund employee salaries or instead used for other operating expenses. 219 employees were paid from this fund.
300	Department of Natural Resources	Forestry	39810	\$200		\$3,773,725	It is unclear if donation money was used to fund employee salaries or instead used for other operating expenses. 140 employees were paid from this fund.
300	Department of Natural Resources	Nature Preserves Revolving Fund	44158	\$800		\$10,543	It is unclear if donation money was used to fund employee salaries or instead used for other operating expenses. 1 employee was paid from the fund.
300	Department of Natural Resources	DNR Use Fund	47330	\$166,266	\$60,000	\$9,637	Used in whole or in part for the salaries of Brant Fisher, Nathan Engbrecht, Jason Mirtl, Jacob Adams, Emily McCallen, and Bruce McCrosky.
300	Department of Natural Resources	IN Natural Heritage Protect	50310	\$97,983		\$35,323	Used in whole or in part for the salaries of Matthew Wryrick, Jason Larson, and Robert Phelps.
300	Department of Natural Resources	DNR DOI F&W Fund	61670	\$31		\$7,357,238	It is unclear if donation money was used to fund employee salaries or instead used for other operating expenses. 289 employees were paid from this fund.
550	Blind School	Donations	46880	\$75,081		\$10,941	Used in whole or in part for the salaries of Terry Harris (DOC-Miami Correctional) and 25 inmates.
730	State Library	Library - Operating	14120	\$65		\$1,650,916	It is unclear if donation money was used to fund employee salaries or instead used for other operating expenses. 39 employees are paid from this fund.
730	State Library	Statewide Library Services	14150	\$6,414		\$585,983	It is unclear if donation money was used to fund employee salaries or instead used for other operating expenses. 12 employees were paid from this fund.